

Stanford Center on Longevity
A TOOLKIT SERIES BRIEF

**LIFE PLANNING
IN THE AGE OF
LONGEVITY**
An Action Plan

Steve Vernon, FSA
Research Scholar
Stanford Center on Longevity

TAKE-HOME POINTS

- Living long and well is more realistic for people who adopt healthy behaviors, are socially engaged and are able to build financial security throughout their lives.
- Despite their ability to lay the foundation for long, healthy lives, many Americans aren't taking the necessary action steps they need to take today.
- Many of these action steps aren't costly.
- For the most effective results, it's important to combine facts and figures with motivation and inspiration.

INTRODUCTION

Many Americans aren't fully grasping the financial and lifestyle implications of living longer lives, and as a result, they're not taking the steps they need to take now to prepare themselves for the distinct possibility of living a long time.^{1,2} Being fully informed about the implications of long life may help Americans make better decisions to build lifetime financial security, health and fulfillment.

A number of surveys reveal that Americans of all ages often don't plan very far into the future—often just five or 10 years.^{1,2} The odds are great, however, that most Americans will live much longer than 10 more years, with the majority living for several more decades.

There's a serious disconnect between Americans' beliefs about their longev-

The steps in this brief serve as a checklist for people who want to increase their odds of living a long, healthy life.

ity and the decisions they're making today. This disconnect is highlighted by the results of a survey completed in conjunction with the Sightlines Project, a landmark study conducted by the Stanford Center on Longevity (SCL).³ The survey, conducted jointly by SCL and Hart Research Associates, reveals that more than three-fourths (77 percent) of Americans want to live to age 100, and more than one-third believe they'll live beyond age 90.⁴ Unfortunately, only about one-third of Americans report that they're happy with their current financial situation and body weight. Furthermore, more than 40 percent of people currently under age 65 believe they won't have the financial resources needed to live to age 100.

Experts agree that living long and well means arriving at old age physically healthy, mentally sharp, financially secure and living independently. Compelling scientific evidence indicates, however, that living long and well is most realistic for individuals who adopt healthy living behaviors, are socially engaged and are able to build

financial security throughout their lives.³

Within each of these three domains, SCL pinpointed specific action steps people can take to improve their current situation. Taken together, these steps can serve as a checklist for people who want to increase their odds of living a long, healthy life. It may be best to make progress on these steps as early as possible, however, because it could be very challenging for those who arrive in their later years already in poor health, with little or no savings, with inadequate insurance protection against high medical bills and disability, and with a meager social support network to make any headway on this list.



HEALTHY LIVING

The Sightlines Project focuses on eight evidence-based action steps for healthy living that fall into two categories: healthy daily activities and risky behaviors.

According to the SCL's Sightlines Project report, by 2011, fewer than two-thirds of all Americans were taking these action steps—both in aggregate and across age groups. As Figure 1 shows, not much has changed in overall prevalence since the baseline year (c. 2003). Gains in some areas, such as more people exercising and fewer people smoking (particularly among Millennials), have been offset by more people reporting sedentary behavior and obese body mass.

Many employees are eligible to participate in physical wellness programs at work that provide resources and incentives to adopt healthy behaviors; these programs also address the significant behavioral barriers that commonly hold people back. Such programs might be a good place for someone to start on a path to healthy living.



Nine action steps for healthy living:

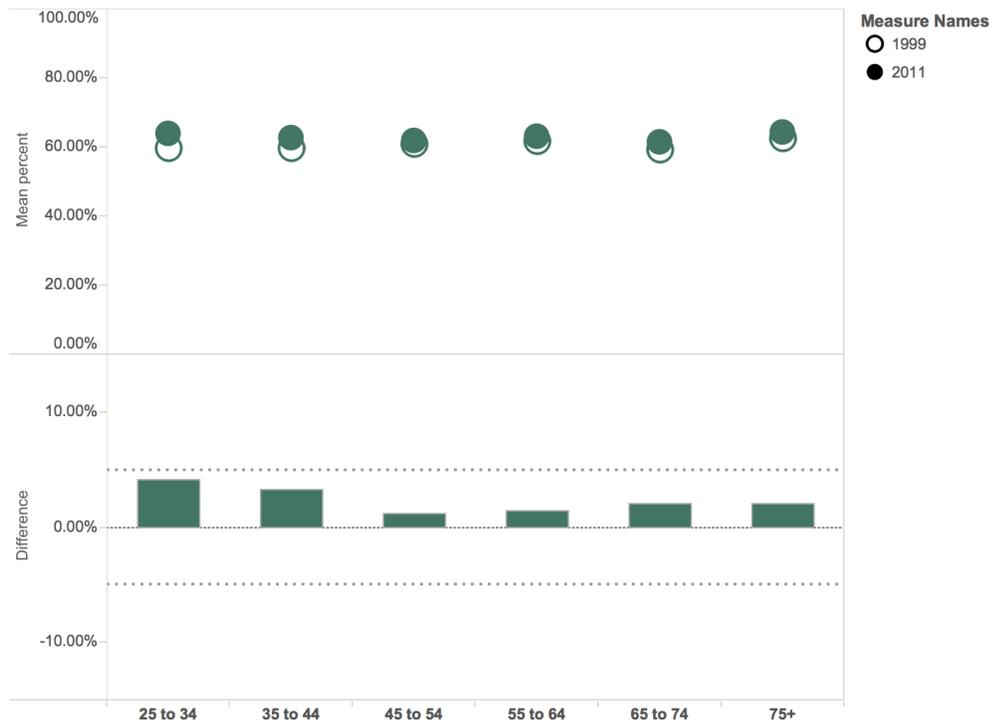
HEALTHY DAILY ACTIVITIES

- Exercise moderately (at least 150 minutes per week)
- Have low sedentary time (less than 320 minutes per day sitting)
- Maintain a healthy body mass index (under 30)
- Eat five fruits and vegetables daily
- Get sufficient sleep (between seven and nine hours per night)

RISKY BEHAVIORS

- Avoid tobacco and nicotine use
- Avoid excessive alcohol consumption
- Avoid illicit drug use

FIGURE 1 Healthy Living Index



SOCIAL ENGAGEMENT

Seven action steps for socially engagement:

MEANINGFUL RELATIONSHIPS

- Have deep interactions with a spouse or partner
- Having frequent interactions with family and friends
- Get social support from family and friends

GROUP INVOLVEMENT

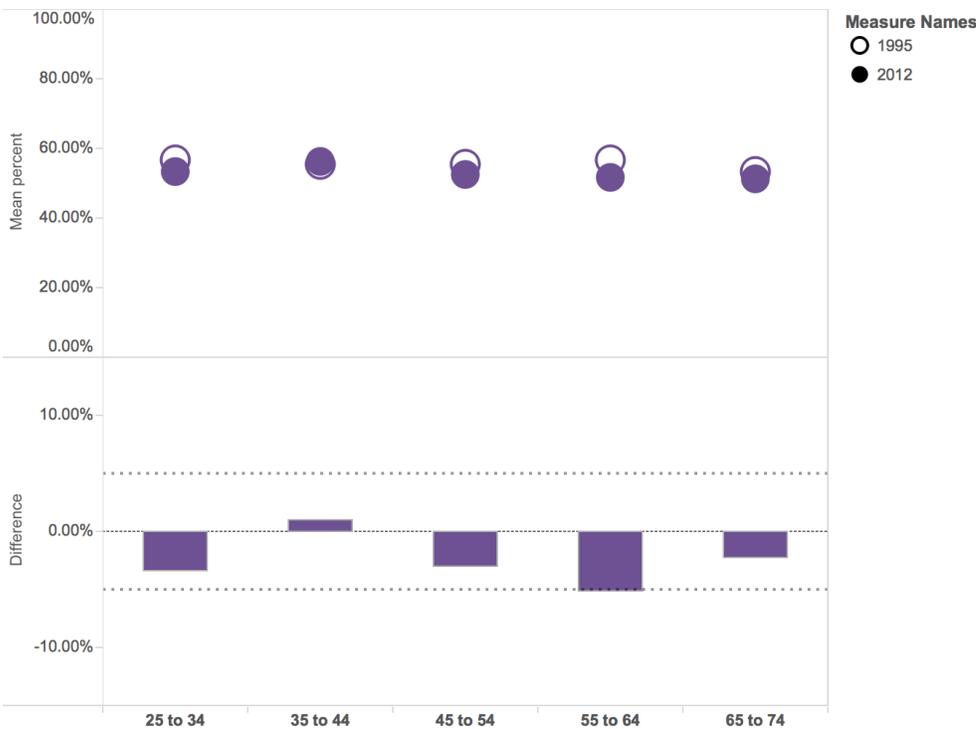
- Converse with your neighbors
- Volunteer
- Work for pay
- Participate in religious or community organizations

The benefits of this domain have been less obvious than those that come with improved financial security and health. Research demonstrates, however, that social engagement contributes significant benefits to physical and mental health and to longevity. Notably, socially isolated people have mortality rates that are comparable to smokers and twice the mortality risk of those who are obese.⁵

The social engagement action steps listed here fall into two categories: meaningful relationships and group involvement.

The prevalence of Americans who took these steps in 2012 ranged from 51 percent to 56 percent for all age groups (see Figure 2). That's little changed since 1995 for most age groups except for Baby Boomers.

FIGURE 2 Social Engagement Index



Socially isolated people have mortality rates that are comparable to smokers and twice the mortality risk of those who are obese.

FINANCIAL SECURITY

The nine action steps for financial health fall into three categories: cash flow, asset growth and protection. Compared to healthy living and social engagement, the financial security action steps might most likely be improved through the help and support of employers, advisers, financial institutions and public policy.

Figure 3 shows how Americans are doing on meeting these action steps.

Many of these action steps are greatly facilitated by employer-sponsored retirement and benefits programs, and these programs can be more effective with carefully designed defaults. Individuals and households without access to these programs are the most likely to struggle with the goals identified above.³ Extending such benefits to Americans who don't participate in traditional employment-based programs is a serious challenge facing policy-makers today.

Nine action steps for financial security:

CASH FLOW

- Earn income that's more than 200 percent of the federal poverty level⁶
- Keep non-collateralized debt (credit card, student debt, payday loans) to manageable levels
- Be able to cover a \$3,000 emergency

ASSET GROWTH

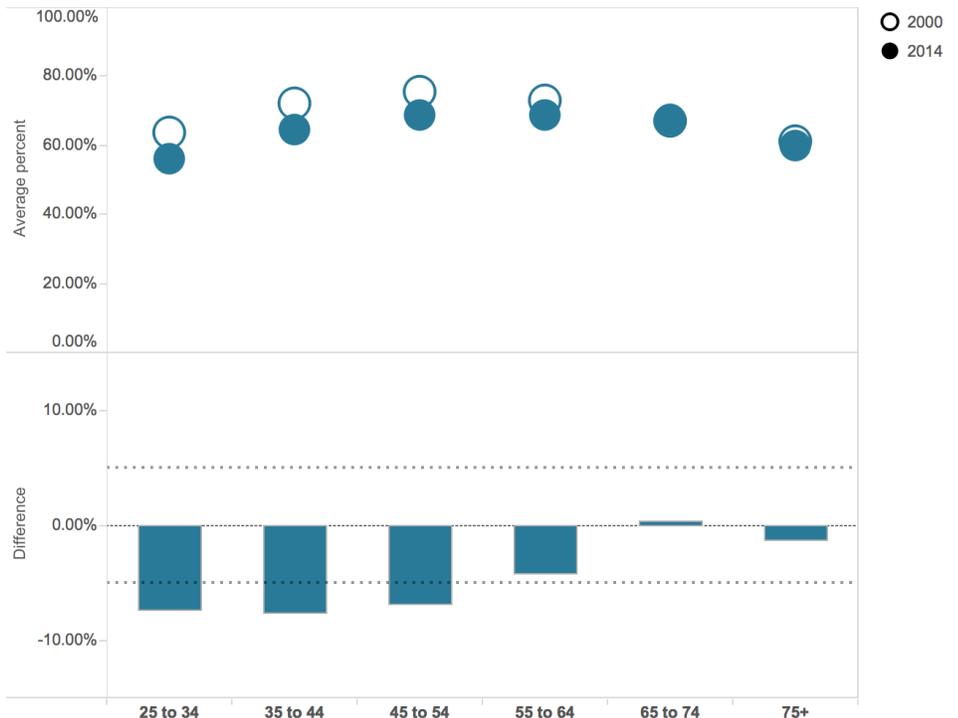
- Build funds for nonretirement goals
- Save for retirement, and take the time to learn how much to save⁷
- Own a home

PROTECTION

- Get health insurance
- Obtain long-term disability insurance and long-term care protection
- Buy life insurance



FIGURE 3 Financial Security Index



MOVING FORWARD

Of course, taking all the steps identified here doesn't guarantee a long, comfortable, healthy life. There are many anecdotes of people who took all the action steps listed above and still didn't live a long life, while others have lived a long time in spite of not engaging in any of these healthy behaviors. In addition, there are likely many other action steps that the Sightlines Project didn't include that might be beneficial to someone's long-term well-being (e.g., health care utilization), particularly for people approaching their retirement years.

It's also important to recognize that many people aren't able to take many of these steps alone—they need help and support from others such as family, employers, advisers, financial institutions, health systems, communities, and local, state and federal governments. In addition, merely providing facts and figures to individuals will have limited success;⁸ the various stakeholders can help motivate and inspire people to begin to take these action steps.

While many people may not be able to directly control all of the action steps

identified in this brief, doing something is better than doing nothing. "There is a great deal that people can do—steps identified in the Sightlines report—to ensure long and satisfying lives," says Laura Carstensen, a psychology professor and the founding director of the SCL.

Individuals will be in a better position to survive and thrive in the decades to come if they are healthy, have close family and friends to provide emotional support, are protected against common financial risks and have money in the bank and in their retirement plan.



ACTION STEPS

1. Learn about potential longevity.⁹
2. Select just one or two action steps identified above, and seek improvement in the coming weeks and months. Trying to do everything at once may feel too overwhelming.
3. Read the applicable briefs for Millennials, Gen X or Baby Boomers to understand which action steps may be most pressing depending on the generation.
4. Think beyond facts and figures, and identify strategies for motivation and inspiration.⁸

CITATIONS

1. "How Americans Manage Their Finances," *University of Southern California Center for Economic and Social Research and the Leonard D. Schaeffer Center for Health Policy and Economics* (November 2015). <https://static.usc.edu/sites/default/files/2015-020%20FINAL%20DRAFT.pdf>
2. "The Decision to Retire and Post-Retirement Financial Strategies," *Society of Actuaries' Committee on Post Retirement Needs and Risks* (September 2013).
3. Sightlines Project, *Stanford Center on Longevity* (February 2016). <http://sightlinesproject.stanford.edu>
4. Americans' Long-Life Expectations Clash With Reality," *Stanford Center on Longevity/Hart Research Associates* (February 2016). <http://hartresearch.com/americans-long-life-expectations-clash-with-reality/>
5. Holt-Lunstad, Julianne, Timothy B. Smith, and J. Bradley Layton. "Social relationships and mortality risk: a meta-analytic review." *PLoS Medicine* 7, no. 7 (2010).
6. Substantial research correlates income below 200 percent of the federal poverty level with negative outcomes such as higher rates of mortality and morbidity, lower educational outcomes, and more likely to be victims of crime and violence. See the Sightlines report identified above.
7. "How Much Should People Save?" *The Boston College Center for Retirement Research* (July 2014). This brief identifies target savings rates for individuals of various current ages and target retirement ages. http://crr.bc.edu/wp-content/uploads/2014/07/IB_14-111.pdf
8. Vernon, Steve and Elizabeth Borges, "The MORE Design: Integrating Psychological Science and Behavioral Economics to Engineer Better Outcomes with Human Resources, Benefits, and Retirement Programs," *Stanford Center on Longevity* (forthcoming 2017).
9. Vernon, Steve, "Understanding Longevity: An Important Life Planning Step," *Toolkit Series Brief, Stanford Center on Longevity* (2017).

The mission of the Stanford Center on Longevity is to redesign long life. The Center studies the nature and development of the human life span, looking for innovative ways to use science and technology to solve the problems of people over 50 in order to improve the well-being of people of all ages.

